



## RIC Resource Bank for 457/401a Employers (August 2017)

**Hello Employers!** The Retirement Investors' Club (RIC) appreciates the attention you give to 457/401a program participants. This email is designed to briefly highlight RIC program items which may be of interest to you. Access this and other helpful information on RIC Employers' webpage [here](#).

### Updated 457 Plan Document

**Employer options:** RIC has updated its 457 Plan Document, located [here](#). No action is needed to adopt this plan. The plan includes two enhancements you may want to consider adding to your 457 plan:

- **Additional minimum contribution option** (Page 8, Article Three, section 4) - This section of the plan document has been changed from a strictly flat dollar contribution election (\$25/month minimum) to include the option for employers to allow contributions to be made based on a percent of salary with a minimum of 1%.
- **New automatic contribution arrangement** (Page 22, Article Seven) - This new option allows participating employers to utilize a default automatic enrollment option and automatic increase option for their employees. Prior to implementation of the default enrollment or increase, the employee is given the chance to opt-out of the arrangement.

### **Other significant changes are:**

- **New option to roll Roth assets into RIC** (Page 10, Article Three, section 7) - This new option allows employees to roll Roth 401(k) and Roth 403(b) assets into the RIC 457 plan.
- **Enhancement to In-Plan Roth Conversion option** (Page 16, Article Five, section 8) - Prior to this change, our plan allowed participants to convert 457 pretax dollars to 457 Roth dollars within the RIC plan *only if* a distributable event had occurred. This change now gives participants the ability to initiate an in-plan Roth conversion *prior to* a distributable event.

**Contact RIC** if you have any questions about the updated plan.

### Employer responsibilities

**Monitor annual contributions.** It is the employer's responsibility to ensure participant contributions do not exceed these limits. 2017 IRS maximum contribution limits are shown below.

Regular	Age 50+	3-Year Catch-Up	415(c) Employer Limit
The lesser of 100% of compensation or:	Regular limit + \$6,000 for employees age 50+	See below	For employer contributions invested in the 401a plan
<b>\$ 18,000</b>	<b>\$ 24,000</b>	<b>\$36,000</b>	<b>\$54,000</b>

*If your 457 plan has a 3-year Catch-Up provision, a participant may qualify to utilize this provision in order to contribute more than the Age 50+ limit. See [rules for the 3-Year Catch-Up provision](#).*

### **Send RIC the following:**

- **RIC Account Forms:** Please send [RIC](#) copies of all RIC Account Forms, and any other forms you receive with respect to the 457/401a plans. We keep file copies of all documents for audit purposes.
- **Term dates:** Please remember to send [RIC](#) termination of employment dates for any participants. We will then forward them to the providers so participants can request distributions without employer approval.

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*RIC wants to hear from you! Please submit your questions [here](#). We will respond to you directly and if the subject of discussion is beneficial for all employers, we will share the answers in our next RIC Resource Bank.*